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TAGS: PREL EUN HR SL

SUBJECT: ENCOURAGING PROGRESS ON RESOLVING
SLOVENIA-CROATIA BORDER DISPUTE

REF: A. SECSTATE 43586

- ¶B. LJUBLJANA 231
- ¶C. ZAGREB 480
- ¶D. ZAGREB 458
- ¶E. JONES-FREDEN-WALKER 7/31 E-MAILS

Classified By: EUR Acting DAS Jason Hyland for Reasons 1.4 (b, d)

¶11. (U) This is an action request cable. Please see paragraph
¶18.

¶12. (C) BACKGROUND: A bilateral border dispute between Croatia and Slovenia continues to hold up Croatia's EU negotiations. Since December, Slovenia has been blocking the opening and closing of 14 of Croatia's EU negotiating chapters, taking the position that the documents provided by Croatia - including maps with borders drawn to reflect Croatia's claim - would prejudice a future resolution to the border dispute.

¶13. (C) For the first six months of 2009, EU Enlargement Commissioner Olli Rehn explored with the Slovenian and Croatian governments ways to resolve the bilateral border dispute and unblock Croatia's EU accession negotiations. Rehn offered several proposals outlining an agreement to take the border issue to an arbitral tribunal while unfreezing Croatia's EU negotiations. The two sides did not accept Rehn's most recent June 12 proposal (also sometimes referred to as the "June 15 proposal" for the date of the last Rehn-led meeting). However, they have narrowed the differences significantly.

¶14. (C) Croatian Prime Minister Kosor and Slovenian Prime Minister Pahor met in northern Croatia on July 31, in their first face-to-face meeting since Croatian PM Kosor took office following Prime Minister Sanader's resignation on July ¶11. Press reports and both governments have described a very positive atmosphere and an agreement on a way forward.

¶15. (C) According to Slovenian PM Foreign Policy Advisor Marko Makovec on July 31 (ref B), the two sides discussed a possible two-part proposal, after which Slovenia could agree to lift its reservations on Croatia's negotiating chapters:

-- One, the Croatian government would issue a unilateral declaration that all documents and actions taken after June 25, 1991 would not have any legal significance for an international body deciding the Slovenia-Croatia border dispute;

-- Two, both agree to return to negotiations. However, according to Makovec, Kosor did not immediately agree with the Slovenian preference to return to negotiations with the June 12 Rehn proposal as a starting point. Slovenia reportedly expressed no position on whether the EU negotiations were led by Rehn, Swedish FM Bildt, or another EU figure, but did prefer an EU-led process.

¶16. (C) Croatian PM Foreign Policy Advisor Davor Stier indicated August 3 that the meeting was an "important step"

forward" and also explained a two-part framework for an agreement leading to Slovenia's lifting its block on Croatia's EU negotiation chapters (ref C). Stier described the Croatian post-June 25, 1991 non-prejudice declaration more specifically as a letter to Swedish FM Carl Bildt, probably to be sent by early September. Stier did not rule out a return to the June 12 Rehn proposal as a basis for discussion, but said Croatia would want to negotiate, including on elements of earlier proposals.

¶8. (U) ACTION LJUBLJANA AND ZAGREB: Department requests that posts deliver the following points as soon as possible:

-- We commend you for the important step of the July 31 meeting between Prime Minister Pahor and Prime Minister Kosor in northern Croatia. We support all efforts to improve the atmosphere and discuss a way forward.

-- We believe that both countries are close to a solution and that an EU-led process offers the best way forward.

-- We urge both parties to continue working together to find a solution to the present dispute.

-- We stand ready to support both parties as they seek a solution.

CLINTON